



CITY OF NEWPORT BEACH

PLANNING DEPARTMENT

Patricia L. Temple, Director

September 29, 2005

Department of Housing and Community Development
Housing Policy Division
1800 Third Street, Rm. 430
Sacramento, CA 95814

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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

To Whom It May Concern:

Please find the enclosed Housing Element Implementation Report and General Plan Update letter prepared pursuant to Government Code Section 65400 and the City of Newport Beach Housing Element. Both items have been reviewed and filed by the Planning Commission and City Council at regularly scheduled meetings. If you have any questions, please contact me at (949) 644-3234.

Sincerely,

Brandon Nichols, Assistant Planner
City of Newport Beach



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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

CITY OF NEWPORT BEACH

HOUSING ELEMENT IMPLEMENTATION REPORT

Fiscal Year 2004-2005

The Newport Beach Housing Element was adopted in August, 2003. Since then, City staff has been diligent in their attempts to implement the Housing Element's many goals and programs. This report evaluates each program and describes attempts made to pursue program and goal fulfillment.

California Government Code Section 65400 specifically mandates that the report provide the following information: (A) a review of the City's progress in fulfilling its share of the Regional Housing Needs Assessment; (B) a complete detailed status report on the implementation of each of the housing programs of the City's Housing Plan; and (C) a review of actions and programs adopted to remove or mitigate governmental constraints on the development of housing for all income levels. Since the City is in the process of updating its General Plan, an additional section (D) has been included that briefly discusses the options for future residential development that are being considered as part of the General Plan Update.

A. PROGRESS IN MEETING REGIONAL HOUSING NEEDS (RHNA GOALS)

The Southern California Association of Governments (SCAG) prepared a Regional Housing Needs Assessment (RHNA) to identify the housing need for each jurisdiction within the SCAG region. SCAG, through the RHNA process, has assigned Newport Beach a certain share of housing units that it should provide between the 1998 – 2005 planning period in an effort to satisfy housing needs resulting from the projected growth in the region. To accommodate projected growth in the region, SCAG estimates the City needs to target its housing unit production to accommodate 476 new housing units.

With the annexation of Newport Coast in 2001, the City agreed to transfer 945 units from the Orange County Regional Housing Needs allocation to the Newport Coast area. This agreement was made since the Irvine Company committed to

the County to fulfill its allocation. However, since the County is still responsible for issuing building permits for the area, the analysis on meeting the RHNA allocation does not include the 945 Newport Coast units. Data regarding the number of issued building permits has been requested from the County of Orange but not yet received.

The table below indicates the future need for housing in Newport Beach and its distribution by income group as calculated through the RHNA process (excluding Newport Coast).

TOTAL RHNA CONSTRUCTION NEED BY INCOME 1998-2005				
VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
86	53	83	254	476
18%	11%	17%	53%	100%

The City Building Department maintains a detailed Building Activity Report for each fiscal year. The report lists the total number of different types of construction permits issued, as well as the number of demolition permits issued. Using this data, staff has created the following table illustrating the total number of new additional units that were permitted during the RHNA period of 1998-2005.

TOTAL NUMBER OF NEW ADDITIONAL HOUSING UNITS PERMITTED DURING RHNA PERIOD 1998-2005			
FISCAL YEAR	NEW UNITS	DEMOLISHED UNITS	TOTAL ADDITIONAL UNITS
1 ST 6 MONTHS OF 1998	315	180	135
1998-1999	1018	158	860
1999-2000	742	258	484
2000-2001	234	168	66
2001-2002	159	130	29
2002-2003	162	174	(-12)
2003-2004	198	162	36
2004-2005	329	170	159
TOTAL	3157	1400	1757

The City issued a total of 1,757 new additional residential building permits during the 1998-2005 RHNA period. This number well exceeds the total 476 units projected by SCAG. During the 2004-2005 reporting period the City issued 159 permits for new additional dwelling units. 120 of the new units are a result of building permits issued for the Bayview Landing Senior Affordable Housing Project. With the exception of one "mangers unit" all of the 120 units are designated for very low and low income seniors.

Issuance of building permits for the Bayview Landing project represents a major milestone for the City. It signals the completion of a major Housing Element goal and represents a significant step towards providing the City's share of very low and low income units as defined in the City's RHNA allocation. Upon completion in early 2006, the Bayview Landing Project will provide 24 units in the "Very Low" income category and 95 units in "Low" Income category. The table below summarizes the City's progress in meeting its share of regional housing needs.

CITY'S PROGRESS IN MEETING IT'S SHARE OF THE REGIONAL HOUSING NEEDS ASSESSMENT DURING RHNA PERIOD 1998-2005					
	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
PROJECTED NEED	86	53	83	254	476
TOTAL NEW UNITS PERMITTED (1/98-6/05)	24	95	0	1637	1757
REMAINING NEED	62	0	83	0	147

B. HOUSING PROGRAM IMPLEMENTATION STATUS

GOAL 1		
PROGRAM	GOAL	STATUS
1.1.1	Improve housing quality and prevent deterioration of existing neighborhoods by strictly enforcing building code regulations and abating code violations and nuisances. Enforcement activities will focus on property maintenance, eliminating derelict or abandoned vehicles, outdoor storage, or other situations that may constitute health, safety or fire hazards.	<p>On-going</p> <p>The Uniform Housing Code is Adopted and continually enforced by the Building Department and Code Enforcement Department.</p> <p>The Water Quality and Code Enforcement Department continually administers an enforcement program to correct violations of municipal codes and land use requirements.</p> <p>A quarterly report is kept on file on code enforcement activities throughout the City.</p>

1.1.2	Reduce the potential for criminal activity by providing guidelines for maintaining the security of existing development with emphasis on site design (such as security lighting, vegetation removal, electronic garage door openers, window security and other crime prevention techniques).	<p><i>On-going</i></p> <p>Planning staff recommends design elements to maintain security and coordinates plan review with Newport Beach Police Department.</p> <p>A brochure was created and placed in the public lobby containing Guidelines for Maintaining Home Security.</p>
1.1.3	Promote the maintenance and upkeep of rental housing by encouraging the California State Franchise Tax Board to enforce the Tax Code preventing owners of rental housing from claiming depreciation, amortization, mortgage interest and property tax deductions on State Income Tax Reports.	<p><i>Out-dated and unenforceable</i></p> <p>This program will be deleted from the Housing Element during the next update cycle.</p>
1.1.4	Continue to participate with the OCHA and HCD in their administration of rehab loans and grants for low- and moderate- income homeowners and rental property owners to encourage preservation of existing housing stock.	<p><i>On-going and Pending</i></p> <p>Research is in progress and an analysis of different programs and the financial feasibility of participating in these programs will be assessed.</p>
1.1.5	Continue to require replacement of housing demolished within the Coastal Zone when housing is (or has been) occupied by low- and moderate households within the last 12 months). The City shall prohibit demolition unless a Coastal Residential Development Permit has been issued. The specific provisions implementing replacement unit requirements are contained in Municipal Code Section 20.	<p><i>On-going</i></p> <p>Chapter 20.86 of the Zoning Code, "Low and Moderate Income Housing within the Coastal Zone," establishes the standards and requirements to implement this program.</p>
1.1.6	Participate in a cooperative program with the OCHA and Community Development program office for administration of the HUD Rental Rehab Program. Energy efficient	<p><i>On-going and Pending</i></p> <p>Research is in progress, and an analysis of different programs and the financial</p>

	products shall be required when appropriate.	feasibility of participating in these programs will be assessed.
1.1.7	Should need arise, consider using a portion of its CDBG funds for establishment and implementation of an emergency home repair program. Energy efficient products shall be required whenever appropriate.	<i>Pending</i> Staff will prepare a study to analyze whether or not a need for this program exists. If it is determined that a need exists, a program will be developed.
1.2.1	As part of its annual General Plan Review, the City shall provide information on the status of all housing programs. The portion of the annual report discussing housing programs is to be distributed to HCD in accordance with State law in January of each year via US postal service.	<i>On-going</i> Due to the comprehensive General Plan Update, the City is not conducting an annual General Plan review. Consistent with the guidelines from the State Office of Planning and Research (OPR), the City will be presenting OPR with a brief letter describing the scope of work for the General Plan Update and the anticipated completion date.
1.2.2	Investigate availability of Federal, State and local programs (including in-lieu funds) and pursue these programs if found feasible, for the preservation of low-income housing that may increase to market rates during the next ten years. A list of these programs, including sources and funding amounts will be identified as part of this program and maintained on an on-going basis.	<i>Pending</i> Research is in progress, and an analysis of different programs and the financial feasibility of participating in any of these programs (if any) will be assessed.
1.2.3	As part of the annual GP review, monitor existing programs designed to preserve assisted housing development for very low- and low-income households to determine whether additional actions are available and should be required to protect these developments.	<i>On-going</i>
1.3.1	Continue to contract with the OC Fair	<i>On-going</i>

	<p>Housing Council for administration of the Fair Housing Program including updating the analysis of impediments to fair housing. In addition, continue to contract with OCHA to refer fair housing complaints. Pamphlets containing information related to fair housing complaints will continue to be provided to the public at the Planning Department.</p>	<p>The City contracts with the OC Fair Housing Authority annually.</p> <p>The Regional Fair Housing Impediments Analysis was completed in 2000.</p> <p>Pamphlets containing information of Fair Housing and Dispute Resolution Services are provided at the public counter.</p>
1.3.2	<p>Support fair housing opportunities by using CDBG funds whenever necessary to enact Federal, State and City fair housing policies.</p>	<p><i>On-going</i></p> <p>For the 2004-2005 Fiscal Year, Newport Beach allocated \$13,884 in CDBG funding to the Fair Housing Council of Orange County to assist the City in furthering fair housing through education, landlord/tenant counseling, and legal action when necessary.</p>
1.4.1	<p>Monitor progress on each program and periodically report findings to the Planning Commission and City Council.</p>	<p><i>On-going</i></p> <p>In conjunction with Program 1.2.1, staff will present the Planning Commission and the City Council with an annual status report for their review and approval prior to submission to HCD.</p>
1.4.2	<p>Whenever land use regulations, land use designations or Housing Programs are proposed for adoption or modification, the City of Newport Beach Planning Department shall undertake an analysis to determine if the proposed action or regulation is consistent with the Housing Element, all other elements of the General Plan, and with all adopted City Council policies. If the proposal is</p>	<p><i>On-going</i></p> <p>This is a standard procedure for all Planning Department staff. Consistency with the General Plan is a standard finding of approval.</p> <p>If an inconsistency exists, staff takes the appropriate actions to amend policies,</p>

	inconsistent, the policy, plan or Element shall be amended in conjunction with approval of the proposed regulation or action to ensure consistency. Consistency shall be achieved whenever a regulation, action or project is approved.	plans, or Elements to ensure consistency.
1.5.1	Investigate the use of Federal funds to provide technical and financial assistance, if necessary, to all eligible homeowners and residential rental property owners to rehab existing dwelling units through low-interest loans or potential loans, or grants to very low, low, and mod-income owner occupants.	Pending Research is in progress, and an analysis of different programs and financial feasibility of participating in these programs will be assessed.
1.5.2	Periodically inform mobile home owners of financial assistance available from State HCD for eligible owner-occupants to rehab existing dwelling units through deferred payment low-interest loans.	Pending Research is in progress, and an analysis of different programs and financial feasibility of participating in these programs will be assessed.
1.5.3	Per Government Code Section 65863.7, a Mobile Home Park Conversion Permit shall be required as a prerequisite for conversion of an existing mobile home park. In addition, the owner of the mobile home park shall provide a detailed relocation impact report. The report shall be filed concurrently with filing for any discretionary permit on such property.	On-going City staff requires special permits for all proposed conversions of mobile home parks and as required by State Law, requires detailed relocation impact reports.

GOAL 2		
PROGRAM	GOAL	STATUS
2.1.1	Maintain rental opportunities by restricting conversions of rental units to condominiums unless the vacancy rate in Newport Beach for rental housing is 5% or higher for four (4) consecutive quarters, and unless the	On-going A vacancy rate survey is completed every quarter to monitor consistency with this policy.

	property owner complies with condominium conversion regulations contained in Chapter 20.83 of the Newport Beach Municipal Code.	<p>In 2004, a quarterly vacancy rate survey was performed for the calendar year and the average vacancy rate for all four quarters exceeded 5%.</p> <p><u>2005</u></p> <ul style="list-style-type: none"> • 1st Qtr. -6.1% • 2nd Qtr.- 5.5% • 3rd Qtr. (results pending)
2.1.2	Take all feasible actions, through use of development agreements, expedited development review, and expedited processing of grading, building and other development permits, to ensure expedient construction and occupancy for projects approved with low- and moderate-income housing requirements.	<p><i>On-going</i></p> <p>Planning staff continually evaluates all proposed affordable housing projects for potential incentives, including expedient processing of permits.</p> <p>During the entitlement process, the Bayview Landing Senior Affordable Housing Project was granted a partial entitlement fee waiver, expedited permit processing, and entitlement assistance.</p>
2.1.3	The City Council and Planning Commission shall have discretion to review and waive planning and park fees, and modify development standards (e.g. parking, setbacks, lot coverage, etc.) for developments containing low- and moderate-income housing in proportion to the number of low- and moderate-income units in each entire project.	<p><i>On-going</i></p> <p>Staff continually evaluates proposed affordable housing projects to determine potential incentives, including the waiver of fees and flexibility with development standards.</p> <p>The Bayview Landing Senior Affordable Housing Project was granted a partial fee waiver as a financial incentive.</p>
2.1.4	Continue to encourage the California State Department of Real Estate and California State Department of Housing and Community Development to permit installation of	<p><i>On-going</i></p> <p>The City of Newport Beach continually complies with State Law as it applies to the</p>

	mobile homes, factory-built housing, or other construction technology, provided such products comply with development standards of the community and are compatible with planning, aesthetic, and other applicable considerations of the specific neighborhood in which such product is proposed.	permitting and installation of mobile homes and factory built housing.
2.1.5	Continue to participate with the County of Orange in the issuance of tax exempt mortgage revenue bonds to facilitate and assist in financing, development and construction of housing affordable to low and moderate-income households. City staff shall encourage developers of remaining residential sites to use tax-exempt mortgage revenue bonds to facilitate construction of low- and moderate-income housing.	<p><i>On-going</i></p> <p>The participation with the County of Orange in the issuance of tax exempt mortgage revenue bonds is project driven. Usually the developer applies for the tax exempt bonds.</p> <p>The City will encourage and inform developers of the use and availability of tax exempt bonds.</p> <p>The Bayview Landing Senior Affordable Housing Project was awarded a total of \$4,583,727 in tax credits. (See Bayview Landing status report for details on project)</p>
2.1.6	Develop and implement an annual compliance-monitoring program for units required to be occupied by very low-, low-, and moderate income households as approved with the development of Newport Coast and in accordance with the Newport Coast Affordable Housing Implementation Program (AHIP).	<p><i>Completed</i></p> <p>It has been determined by the County of Orange, that the affordable housing obligations for Newport Coast have been met through the provision of off-site affordable apartments.</p>
2.2.1	Continue to require a proportion of affordable housing in new residential developments or levy an in-lieu fee. The City's goal over the five-year planning period is for an average of 20% of all new housing units to be affordable to very low- and low-	<p><i>On-going</i></p> <p>Staff continues to enforce the requirements for affordable housing and/or the payment of in-lieu fees. In addition, the City is in the process of</p>

	<p>income households. Given considerations of proper general planning, the California Environmental Quality Act, project development incentives, and government financial assistance, the City shall either; a) require the production of the housing units affordable to very low- and low-income households, or, b) require the payment of an in-lieu fee, depending on the following criteria for project size:</p> <p>(See Housing Element for specific criteria).</p>	<p>updating its in-lieu fee and affordable housing ordinance to reflect current land costs and to clarify existing requirements.</p>
2.2.2	<p>The City shall provide more assistance for projects that provide a higher number of affordable units or a greater level of affordability. More than 20% of units shall be affordable when assistance is provided from Community Development Block Grant funds or the City's in-lieu housing fund.</p>	<p>On-going</p> <p>The City will provide financial assistance based on a project by project analysis, depending on need and overall project merits.</p> <p>The City continues to participate in this Housing Program. The Bayview Landing Senior Affordable housing project received \$1 million dollars from the City's "in-lieu" housing fund reserves. (See Bayview Landing status report for details on project)</p>
2.2.3	<p>For new developments proposed in the Coastal Zone areas of the City (comprising approximately 40% of the area of Newport Beach), the City shall require provision of housing affordable to persons or families of low- and moderate- income, where feasible in projects of 10 or more units. Whenever practicable, the City shall require they be located on-site; alternatively, the City may permit the developer to locate units off-site but</p>	<p>On-going</p> <p>Staff continues to implement the provisions of Chapter 20.86 of the Zoning Code (Low and Moderate Income Housing within the Coastal Zone").</p> <p>The most recent instance of a development project proposing to build more than</p>

	<p>within the Coastal Zone, or within (3) miles of the Coastal Zone (within Newport Beach). All residential developments of three units or more within the Coastal Zone shall require a Coastal Residential Development Permit. Determinations of feasibility, and procedures relating to provision of low- and moderate-income housing within the Coastal Zone, shall be governed by Newport Beach Municipal Code Title 20.</p>	<p>10 new additional units within the coastal zone was the Cannery Lofts Mixed Use Development project (PA 2001-128). An affordable housing feasibility study was performed and it was determined infeasible to require 2 of the 22 units proposed to be reserved for moderate-income households. Due to the finding of infeasibility, the payment of an in-lieu fee was required.</p>
2.2.4	<p>All required affordable units shall have restrictions to maintain their affordability for a minimum of 30 years.</p>	<p>On-going</p> <p>Staff continues to include this affordability restriction as a standard condition on all affordable housing projects, unless an otherwise longer affordability covenant is agreed upon.</p> <p>A comprehensive affordable housing ordinance is currently being developed which will clearly specify all conditions for incentives, including the minimum affordability period of 30 years.</p> <p>Bayview Landing was required to provide a restricted affordability covenant of a minimum of 55 years.</p>
2.2.5	<p>Attempt to ensure that existing landowners and prospective developers are aware of affordable housing development opportunities available within the Newport Banning Ranch, Bayview, and Avocado/MacArthur properties.</p>	<p>On-going</p> <p>City staff continues to provide prospective developers with information on the City's available land and its incentive program.</p> <p>For example, the land owner</p>

		of the Avocado/MacArthur property was notified of the City initiated General Plan Amendment to change the land use designation of the subject property from Open Space to Multi-Family Residential with a specific opportunity for affordable housing.
2.2.6	The Affordable Housing Task Force and/or City staff shall periodically contact known local developers and landowners to solicit new affordable housing construction.	<p>On-going</p> <p>The City Manager's Office and Community and Economic Development periodically discuss the construction of new affordable housing with local developers and landowners.</p> <p>City staff also introduces the idea of constructing affordable housing to developers who propose large residential projects and discuss Density Bonuses to assist in the construction of affordable housing.</p>
2.2.7	The Affordable Housing Task Force shall create a program for the expenditure of in-lieu housing funds.	<p>On-going</p> <p>Upon completion of developing an In-Lieu Fee program and ordinance, a meeting will be scheduled with the Affordable Housing Task Force to develop a program for the expenditure of in-lieu fees.</p>
2.2.8	When it is determined to be of benefit, the City shall participate in other housing assistance programs that assist production of housing.	<p>On-going</p> <p>City staff continues to investigate feasible housing assistance programs.</p>
2.3.1	Newport Beach Staff and developers	On-going

	<p>of proposed major commercial/industrial projects shall study housing impact(s) of such project(s) during the development review process. Prior to project approval, a housing impact assessment shall be developed by the City with the active involvement of the developer. Such assessment shall indicate the magnitude of jobs to be created by the project, where housing opportunities are expected to be available, and what measures (public and private) are requisite, if any, to ensure an adequate supply of housing for the projected labor force of the project and for any restrictions on development due to the "Greenlight" initiative.</p>	<p>Staff will research the idea of developing housing impact fees for all new commercial and industrial developments.</p> <p>Staff will monitor all new planning applications for applicability.</p>
2.3.2	<p>As part of the comprehensive General Plan Update, investigate the potential of housing (including single room occupancy hotel(s), and mixed use development in areas such as Newport Center, Santa Ana Heights, Bay Knolls and JWA.</p>	<p>On-going</p> <p>The General Plan Advisory Committee continues to meet to discuss various land use options, including the potential for these various forms of housing.</p> <p>The General Plan Update is still in process will likely extend into 2006.</p>

GOAL 3		
PROGRAM	GOAL	STATUS
3.1.1	<p>Increase the efficiency of the building permit process by insuring that the initial plan review be completed within 4 weeks for 90% of all submittals. This will include an automated tracking system allowing applicants to monitor plan check progress via the Internet. Implementation of this program began in September 2002 and operates on an on-going basis.</p>	<p>On-going</p> <p>The City has an automated tracking system in place.</p> <p>If a target date is missed, an email notification is sent to all department supervisors.</p> <p>Efficiency of plan check review is monitored monthly to ensure</p>

		a 90% success rate.
3.1.2	When a residential developer agrees to construct housing for persons and families of low and moderate income, the City shall either (1) grant a density bonus or (2) provide other incentives of equivalent financial value.	<p>On-going</p> <p>The City considers density bonuses and other incentives on a project by project basis, depending on the need and project merits.</p>
3.2.1	Identify the following sites as adequate, which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage development of a variety of housing types to meet City housing goals as identified pursuant to Government Code Section §65583(b): Newport Banning Ranch; Bayview Landing; and, Avocado/MacArthur.	<p>On-going</p> <p>All three of these sites have been identified in the Housing Element under, "Inventory of Land Suitable for Residential Development".</p> <p>Bayview Landing was approved on February 25, 2003 by the City Council and on November 25, 2003 by the Coastal Commission. Building permits have been issued and project is currently under construction with an expected completion date in early 2006 (See Bayview Landing status report for details on project)</p> <p>A General Plan Amendment Initiation was approved for the Avocado/MacArthur site by the City Council on April 27, 2004. An Initial Study was completed on August 9, 2004 in conjunction with a Mitigated Negative Declaration. Publication of the notice to adopt the Mitigated Negative Declaration is temporarily on hold until negotiations with the property owner are completed.</p> <p>The Avocado/MacArthur site remains available for multifamily development. However, a project proposal has not yet</p>

		<p>been received. Should the property owner propose an affordable housing project the City will assist the owner in completion of the General Plan Amendment.</p> <p>A project proposal has not been received for the Banning Ranch site.</p>
3.2.2	<p>Require the developer(s) of the 4.5-acre site located on the southwesterly corner of the intersection of Jamboree Road and Back Bay Drive (known as the Bayview Landing site) to provide approximately one hundred twenty (120) residential units for low-income senior households. The City shall assist the developer(s) by streamlining the discretionary application process and by granting a density bonus of twenty-five percent (25%) for the project. Additionally, the City may consider using a portion of fees collected from other projects paid in-lieu of providing affordable residential units to facilitate meeting the City Affordable Regional Housing Needs Assessment construction requirements on said Bayview Landing site.</p>	<p><i>Pending project completion</i></p>
3.2.3	<p>Encourage the developer(s) of a 3.5-acre site located northerly of San Miguel, easterly of Avocado Avenue, and westerly of MacArthur Boulevard (known as the Avocado/MacArthur site) to provide at least fifty-six (56) multiple-family residential units for Senior Citizen Households. The City shall assist the developer(s) by initiating a Change of Zone within one (1) year of certification of this Housing Element to allow</p>	<p><i>Pending</i></p> <p>GPA Initiation Approved</p> <ul style="list-style-type: none"> • PC- April 8,2004 • CC- April 27,2004

	<p>such senior residential units on said site, by considering a "density bonus" and/or other incentives, and by streamlining the discretionary process. Additionally, the City may consider using a portion of fees collected from other projects paid in lieu of providing affordable residential units to facilitate meeting the City's Very Low-, Low-, and Moderate-Income Regional Housing Needs Assessment construction requirements on the Avocado/MacArthur site.</p>	
3.2.4	<p>When requested by property owners, the City of Newport Beach shall continue to approve rezoning of developed or vacant property from non-residential to residential uses when appropriate. These rezoned properties shall be added to the list of sites for residential development.</p>	<p><i>On-going</i></p> <p>The City continually monitors requests for zone changes of vacant and developed properties from non-residential to residential and approves when determined to be compatible and feasible. When approved, these sites are mapped for residential uses on both the zoning district map and General Plan Land Use Map.</p>
3.2.5	<p>The City shall consider a potential reduction of commercial zoning within some of its village commercial areas within the Coastal Zone to allow for additional residential development. Economic feasibility studies to support such a reduction will be evaluated concurrently with the City's General Plan Update projected for completion in 2005.</p>	<p><i>Pending</i></p> <p>Several commercial areas in the Coastal Zone have been identified as having the potential for mixed use (residential/commercial) developments. These areas are currently being evaluated as part of the General Plan Update EIR and in the review and formation of General Plan policies.</p> <p>The General Plan Update is</p>

		expected to be completed in 2006.
3.2.6	Encourage the participation in a Joint Powers Authority of Orange County jurisdictions for the purpose of financing and administering a lease purchase program for first-time homebuyers.	<p><i>On-going</i></p> <p>On September 24, 2002, the City Council authorized the City Manager to execute a Joint Powers Agreement for membership in the Agency and attend Agency meetings and take any and all actions necessary to coordinate the City's voting membership in the Agency and participation in the Lease-to-Purchase Program.</p> <p>However, due to extreme rises in home prices in the last two years, the program was deemed infeasible and never executed. In December of 2003, the program was updated to respond to changes in the housing bond market.</p> <p>The Joint Powers Agreement was recently executed in August of 2004.</p> <p>The City has posted information on the program on the website and plans to create an informative flyer/brochure to advertise the program to the public.</p>
3.2.7	Continue to participate as a member of the Orange County Housing Authority Advisory Committee and work in cooperation with the Orange County Housing Authority to provide Section 8 Rental Housing Assistance to residents of the community. The City shall, in cooperation with the Housing Authority, recommend and request use of modified fair market	<p><i>On-going</i></p> <p>City Staff regularly attends the quarterly meetings of the Cities Advisory Committee.</p> <p>In addition, staff continually works in cooperation with the County to provide Section 8 rental housing assistance to residents.</p>

	<p>rent limits to increase number of housing units within the City that will be eligible to participate in the program. The Newport Beach Planning Department shall prepare and implement a publicity program to educate and encourage landlords within the City to rent their units to Section 8 Certificate holders and to make very low-income households aware of availability of the Section 8 Rental Housing Assistance Program.</p>	<p>The City is currently working with the OCHA to help disseminate information regarding the upcoming opening of the Section 8 waiting list.</p> <p>A link to the Orange County Housing Authority website has been placed on our City website to provide information on the Section 8 program.</p>
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GOAL 4		
PROGRAM	GOAL	STATUS
4.1.1	Periodically contact owners of affordable units for those developments listed on Table 29 to obtain information regarding their plans for continuing affordability on their properties.	<p><i>On-going</i></p> <p>Staff is currently updating the contact list for affordable units. A survey may be developed and sent out annually to each contact.</p>
4.1.2	Consult with property owners regarding CDBG funds and in-lieu funds to maintain affordable housing opportunities in those developments listed in Table 29.	<p><i>Pending</i></p> <p>Will be discussed during the AHTF meetings in conjunction with Program 2.2.7.</p>
4.1.3	Prepare written communication for tenants and other interested parties about OCHA Section 8 renewals to assist tenants and prospective tenants to acquire additional understanding of housing law and related policy issues.	<p><i>On-going</i></p> <p>Information pamphlets informing prospective tenants and landlords about the OCHA Section 8 program have been made available in the public lobby.</p> <p>In addition, information about the Section 8 program has been posted on the City website.</p>
4.1.4	Continue to pursue Community	<i>Pending</i>

	Development Grant Funds to facilitate construction of housing for very low- and low-income households. Use of CDBG funds may include but shall not be limited to site acquisition, "off-setting" of land and/or construction costs.	The use of CDBG funds for the purpose of facilitating construction of housing for very low- and low- income households will be discussed in conjunction with Program 2.2.7 and 4.1.2 at the next AHTF meeting.
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GOAL 5		
PROGRAM	GOAL	STATUS
5.1.1	Apply for US Department of Urban Development CDBG funds and allocate a portion of such funds to sub-recipients who provide shelter and other services for the homeless.	<p><i>On-going</i></p> <p>The Action Plan for Fiscal year 2004/2005 has been approved and the City will provide funding to the following organizations to preserve the supply of emergency and transitional housing: <u>Orange Coast Interfaith Shelter</u>, <u>Serving People In Need (SPIN)</u>, <u>WISEPlace</u>, and <u>Mercy House</u>.</p> <p>The following organization is funded to assist homeless individuals and to prevent those "at-risk" of become homeless: <u>FISH Harbor</u></p> <p>The following organization has been funded to assist homeless battered women and children: <u>WISEPlace</u></p>
5.1.2	As a condition of receiving housing funding through the City, the City shall require social service agencies receiving such funds record information on clients they serve and provide an annual audit of their activities.	<p><i>On-going</i></p> <p>Reports are submitted on a quarterly basis with each invoice from CBDG recipients. These records are kept on file at the grant administrator's office (MDG).</p>

5.1.3	Cooperate with OCHA to pursue establishment of a Senior/Disabled or Limited Income Repair Loan and Grant Program to underwrite all or part of the cost of necessary housing modifications and repairs. Loans would be repaid or forgiven on an ability to pay basis. Health and safety deficiencies would receive priority. Modifications for accessibility also would be appropriate. Administration of funds would be the responsibility of the OCHA. Cooperation with OCHA will include continuing City of Newport Beach participation in the OC Continuum of Care and continuing to provide CDBG funding.	<p>Pending</p> <p>Research is in progress, and an analysis of different programs and the financial feasibility of participating in these programs will be assessed.</p>
5.1.4	Continue to permit development of senior citizen housing facilities in all residential and commercial zoning districts pursuant to Zoning Code Sections 20.10.020 and 20.15.020(b).	<p>On-going</p> <p>Bayview Landing is a senior affordable housing project consisting of 120 units. All units are age restricted to those 62 years of age and older. (See Bayview Landing status report for details on project).</p>
5.1.5	Continue to permit, where appropriate, development of "granny" units in single-family areas of the City. Consider amending the zoning code to allow approval of "granny units" at the staff level instead of by the Planning Commission.	<p>On-going</p> <p>Code Amendment No. 2003-001 (PA 2003-054) was approved by City Council May 13, 2003 to grant the Planning Director approving authority over Second Unit Use Permits, rather than the Planning Commission.</p>
5.1.6	Consistent with the development standards in residential and commercial areas, continue to permit emergency shelters and transitional housing under group housing provisions in its Zoning Code.	<p>On-going</p> <p>Emergency shelters and transitional housing are monitored for compliance with the development standards regulations contained in the</p>

		Zoning Code.
5.1.7	The City of Newport Beach shall investigate State Housing Opportunities for Persons With AIDS (HOPWA).	<p>On-going</p> <p>On February 9, 2005, the City participated in the 2005 HOPWA Strategy Meeting hosted by the City of Santa Ana, to provide recommendations for the allocation of HOPWA funds for the 2005 program year. As the most populous city in Orange County, the City of Santa Ana receives HOPWA funding from HUD on behalf of the entire County. Authorized uses of these funds include: acquisition, rehabilitation, conversion, or lease of facilities to provide short-term shelter, new construction, project or tenant based rental assistance, short term rent and utility payments, and supportive services.</p> <p>Should the City wish to partner in the acquisition, development, or rehabilitation of affordable housing for persons with HIV/AIDS, the City may request funding at future HOPWA Strategy meetings.</p>
5.1.8	Notify residential developers (upon application for a discretionary permit) and to interested individuals and families, the following Table, entitled "Public and Private Resources Available for Housing and Community Development Activities. (Table included in Appendix 4)	<p>On-going</p> <p>Project planners regularly inform developers about affordable housing opportunities and programs.</p>
5.1.9	By December 2003, the City shall analyze and determine whether	Completed

	<p>there are constraints on the development, maintenance and improvements of housing intended for persons with disabilities, consistent with SB 520 enacted Jan. 1, 2002. If any constraints are found, the City will take subsequent actions within 6 months of the completion of the evaluation. The analysis will include an evaluation of existing land use controls, permit and processing procedures and building codes. If any constraints are found in these areas, the City will initiate actions to address these constraints, including removing the constraints, or providing reasonable accommodation for housing intended for persons with disabilities.</p>	<p>As required by SB520, a Constraints Analysis report was completed in January 2004, however due to anticipated changes to the Zoning Code pertaining to "Residential Care Facilities", the report was postponed until a resolution was adopted. The City has adopted amendments to the Zoning Code which includes the addition of a Federal Exception Permit process as a mechanism for persons to request a reasonable accommodation pertaining to residential care facilities for 7 or more persons within residential zones. Changes have been made to the SB520 Constraints Analysis consistent with the amendments and the report was submitted to HCD on July 20, 2004.</p>
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C. MITIGATING GOVERNMENTAL CONSTRAINTS

In accordance with Senate Bill SB520 and Newport Beach Housing Program 5.1.9, a thorough analysis of constraints on the development, maintenance and improvement of housing for persons with disabilities was conducted in January of 2004. The analysis specifically addresses constraints related to zoning and land use controls, permit and processing procedures, and building codes. Although a potential constraint was recognized, the City of Newport Beach complies with both the federal Fair Housing Act (FHA) and the California Fair Employment and Housing Act (FEHA) in providing reasonable accommodations through the use of existing regulatory procedures not specially designed for people with disabilities.

A potential constraint may exist at times when there are conflicts between the California Building Code requirements pertaining to access and adaptability for persons with physical disabilities and the Newport Beach Zoning Code requirements. The City recognizes that a person with disabilities may require special accommodations for retrofitting their existing residential units for purposes of accessibility and safety. A remedy for dealing with these conflicts between building code requirements for accessibility and adaptability, and the City Zoning Code would be to amend Zoning Code Section 20.60, "Site

Regulations", to incorporate a subsection which would allow the City to utilize a "Director/ Staff Approval". This type of approval is an existing administrative review process and is intended to allow the review and analysis of conflicts and requests for accommodations at the staff level. Staff is exploring this option as part of a review of development standards contained in the zoning code.

D. THE GENERAL PLAN UPDATE

In order to accommodate City's fair share of regional population growth, a significant part of the comprehensive General Plan Update process has focused on identifying areas of the City that may be suitable for future residential development. Since the City is largely built out, most of the options being considered involve redesignating some commercial/office/industrial areas for residential or mixed residential/commercial uses. Of these, properties in the Airport Area and Newport Center have been identified as having the potential to yield a substantial number of new dwelling units. These two areas, in addition to several others identified as possible new residential sites, are currently being assessed in the EIR being prepared for the General Plan Update. Future development in these areas would be subject to affordable housing regulations and will yield additional affordable units or generate additional in lieu affordable housing fees. The General Plan Update is scheduled to be completed in 2006.



CITY OF NEWPORT BEACH

PLANNING DEPARTMENT

Patricia L. Temple, Director

September 29, 2005

Department of Housing and Community Development
1800 Third Street, Room 430
P.O. Box 952050
Sacramento, CA 94252-2050

Subject: General Plan Annual Progress Report

Dear Sir/Madam:

In conformance with the Governor's Office of Planning and Research (OPR) "Guidelines for the submission of General Plan Annual Progress Reports," the City of Newport Beach is submitting this letter to inform you that the City is in the process of a comprehensive update of the General Plan and will not be submitting an Annual General Plan Report this year. However, the City will still be providing the State Department of Housing and Community Development (HCD) with the housing portion of the annual report illustrating the progress of meeting our Regional Housing Needs and demonstrating the effectiveness of the Housing Element in attainment of the community's housing goals and objectives.

The first phase of the General Plan Update, the "Visioning Process" was completed in January of 2003. The Visioning Process brought together hundreds of residents and business owners in the community to examine and discuss crucial issues and provide direction for future policy decisions. Through a variety of Visioning events, community members have spoken on how best to characterize the City's identity, how to address pressures of physical development, and how to balance environmental conservation with the need to maintain and improve infrastructure and services. The community's deliberations related to these issues will ultimately be considered as part of the General Plan Update and policy formation.

The second phase of the General Plan Update process consisted of the preparation and review of several technical studies and the identification of land use alternatives for several identified "sub-areas" of the City. Four technical studies, which focus on traffic and circulation, biological resources, hazards, and the City's fiscal conditions have been completed and reviewed. In August, a land use alternative for each sub-area was selected by the City Council for use in the

preparation of the EIR with input provided by the 37-member General Plan Advisory Committee (GPAC), Planning Commission and the public.

Currently, the General Plan Update Environmental Impact Report and related technical studies are being prepared. Additionally, GPAC, the Planning Commission and the City Council continue to meet on an on-going basis to discuss issues and policies related to all General Plan elements. The General Plan Update is expected to be completed in mid 2006.

If you have any questions or need further information, please contact Senior Planner Gregg Ramirez at (949) 644-3219 or by email at gramirez@city.newport-beach.ca.us.

Sincerely,

A handwritten signature in blue ink that reads "Patricia Temple". The signature is written in a cursive style with a large initial "P" and a long horizontal stroke extending from the "e".

Patricia Temple
Planning Director

